

Foreign-Trade Zone and Industrial Park Consulting and Marketing Supply Chain and Security-Threat Assessments

July 12, 2010

Secretary of Commerce Gary Locke Herbert Clark Hoover Building 1401 Constitution Ave NW Washington DC 20230

via email: <u>The Secretary@doc.gov</u> Cc: <u>Andrew_McGilvray@ita.doc.gov</u>

SUBJECT: Foreign-Trade Zones Board Docket Numbers 20-2009 (Dow Corning, Kentucky)

and 22-2009 (REC Silicon, Washington)

Dear Secretary Locke:

I am writing to express the strong opposition of IMS Worldwide, Inc, a long-term veteran Foreign-Trade Zone (FTZ or Zone)consulting firm from Houston, Texas, to the FTZ Board's preliminary recommendations in the Dow Corning and REC Silicon cases to prohibit admission of foreign status silicon metal subject to an anti-dumping (AD) or countervailing duty (CVD) order to the proposed subzones in FTZ No. 29 (Carrollton, Elizabethtown and Shepherdsville, Kentucky) and FTZ No. 203 (Moses Lake, Washington). In both of these cases, the prohibition is on goods that will be only used to manufacture goods for export, not for use inside the USA.

We believe that this restriction, if implemented, will undermine private-sector confidence in the FTZ program and threaten the continued viability of FTZs throughout the nation. At a time when President Obama and Congress are stressing the importance of reducing our trade deficit and promoting U.S. exports, this proposal is directly in conflict with those objectives.

The proposed restriction is evidently intended to compel the subzones' companies to shift to domestic silicon suppliers or foreign suppliers not subject to AD or CVD orders. While this objective may be well-intentioned, we believe the more likely consequence is that the precedent set by this restriction will drive manufacturers out of the United States to establish facilities in other nations not subject to these unwise restrictions. This will ultimately mean the destruction of thousands of U.S. manufacturing jobs and the loss of vibrant economic engines across our nation.

Our firm has assisted in the establishment and operations of over 200 such FTZ projects, many of which have led to a large level of exports (Houston FTZ No. 84, Chicago FTZ No. 22, Fort Lauderdale, FTZ No. 241, etc.). These zones have included many manufacturers employing family wage jobs in the "export-only" processing and manufacturing sector that otherwise would have gone off-shore, were it not for the FTZ procedures.

We are seriously concerned that the proposed restriction will not only dampen our future expansion, but may well result in a considerable loss of our business. This could have a devastating effect on the economy of the entire nation, not just our home state of Texas. The fact that the applicant companies are involved in the production for export of advanced technologies in the solar energy and materials industries only underscores how out-of-step this restriction would be with national economic priorities

I urge the Board to consider the real impact this proposal is likely to have, and reject the proposed restriction.

Thank you for your consideration.

Very truly yours,

Curtis Spencer